

**MINUTES
LCWSD BOARD OF DIRECTORS MEETING
OCTOBER 18, 2016**

PRESENT: President Marc Liechti, Directors Jack Thomson, Rex Niles, and Jim Heim, and employees Rodney Olson, General Manager, and Beth Dotson, Secretary

ABSENT: Roxanne Wadman

President Liechti called the meeting to order at 2:00 p.m.

AGENDA: The agenda was amended to include L/S 6 and 7 and the Landing at Somers Bay under New Business.

A motion was made by Director Niles to accept the agenda as amended. Director Thomson seconded and motion carried.

APPROVAL OF MINUTES: The Minutes of the September 20, 2016 Board meeting were reviewed. A motion was made by Director Heim to accept these Minutes. Director Niles seconded and motion carried.

VISITORS: Scott Ring was introduced to the Board. He was hired 10/10/16 as part time Operator I.

FINANCIAL REPORT

The Combined Balance Sheet shows current assets at \$2,089,826.57, fixed assets at \$9,157,311.22, total liabilities at \$814,293.78, and total equity at \$10,451,832.01 for a total liabilities and equity balance of \$11,266,125.79.

The Summarized Income Statement shows total revenue through September 2016 to be \$65,783.27 (29% of budget), expenses to be \$76,790.83 (24% of budget), and total other revenue to be \$98,475.64 (73% of budget) resulting in net income of \$87,468.08.

A Comparison to Prior Year Income Statement was presented. Total Revenues for September 2016 were \$65,783.27 compared to \$62,663.93 for the same period in 2015. Total expenses for September 2016 were 76,790.83 compared to \$82,924.46 in 2015. Net income from operations was \$-11,007.56 in September 2016 compared to \$-20,260.53 in 2015. Total other revenue was \$98,475.64 in September 2016 compared to \$18,023.39 in 2015. Net income for September 2016 was \$87,468.08 compared to \$-2,237.14 in 2015.

The Cash Report shows the September 2016 ending checking account balance for water to be \$27,455.46 and sewer to be \$-4,450.24.

A motion was made by Director Niles to approve the financial report. Director Thomson seconded and motion carried.

BILL APPROVAL: Accounts payable for September were reviewed. Expenses of note included:

- AMOZ Group – installation of two (2) new computers
- Allwest – drilling of the South 80 well
- APEC – engineering for the South 80 well
- R.C. Worst & Co. – pump volute for the Fish Hatchery lift station.

The Capital One credit card statement for September was also reviewed.

DELINQUENT REPORT: Progress continues in collecting payment from delinquent accounts.

OLD BUSINESS:

South Eighty Water System – the pump tests were completed resulting in a flow of 90 gpm. Samples for total coliform bacteria came back good. This well will be used as an alternating source. Water rights are covered by the primary well.

Next phase is system design to be completed over the winter with system construction planned for the summer of 2017.

Rate Increase – A notice of a 5% rate increase starting October 26, 2016 for the Troutbeck/Spurwing/Lakeside Estates Water System was included on the September bills. Ordinance 16-1 amending this base rate was reviewed. Director Heim motioned to approve the ordinance. Director Niles seconded and the motion carried.

Shelter Cove Water Pressure

Two operators attended a MRW class on Pressure Relief Valves (PRVs). T handles are being made so the PRVs can be exercised. The PRVs will be exercised next week and then tested for proper adjustment.

NEW BUSINESS:

Health Insurance

LCWSD staff has been covered through Blue Cross/Blue Shield for the last two years. With Obamacare the insurance industry is anticipating a 40 to 60% increase in premiums. Flathead Insurance (LCWSD's insurance broker) suggested changing the anniversary date to December 1 from January 1. By doing this we can lock in a rate increase of 7.9%. The monthly premium will increase from \$3360.00 to \$3621.14.

Director Niles made a motion to change the health insurance anniversary date to December 1 and accept the 7.9% premium increase. Director Thomson seconded and the motion carried.

Christmas Party

Arrangements have been confirmed to hold the annual Christmas Party at Seven in Lakeside on Friday, December 9, 2016.

L/S 6 & 7

Both lift stations have the original pumps that have deteriorated badly. It was suggested that these pumps be replaced along with new panels and above-ground valve boxes. The Board

discussed the possibility of installing the generator from L/S 4 at L/S 6 that would run both L/S 6 and 7 in case of emergency. Also need to look at the elevation of L/S 6 as it is in the Flathead Lake flood zone. Cost of upgrading L/S 6 and 7 and moving the generator is approximately \$65,000 to \$70,000.

Director Niles made a motion to approve replacing the pumps and panels and installing above-ground valve boxes for L/S 6 and 7 and moving the L/S 4 generator to L/S 6. Director Heim seconded and the motion carried.

Landing at Somers Bay

Property has been connected to the sewer system with a 1 ½ inch meter.

The original water system plan stated the property owner would build the water system and then turn it over to LCWSD for operation and maintenance. The system is now complete but there is some hesitancy on behalf of the owner to turn it over to LCWSD. The LCWSD Board felt it was not in the best interest of the District to pursue the issue of ownership.

MISCELLANEOUS

Annexation

Secretary presented Ordinance 16-2 annexing 5485 US Hwy 93 South into the District. Director Heim made a motion to approve Ordinance 16-2 as presented. Director Niles seconded and the motion carried. The Ordinance and the Flathead County-approved annexation petition will be forwarded to the State for recording.

The meeting adjourned at 3:30 p.m.

Respectfully submitted,

Beth Dotson, Secretary

(NEXT MEETING DATE IS TUESDAY, NOVEMBER 15, 2016)